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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Vital Processing Services, L.L.C.

Serial No. 75/547,155

Ina J. Risman of Heller, Ehrman, White & McAuliffe, LLP for
Vital Processing Services, L.L.C.

Andy Corea, Trademark Examining Attorney, Law Office 101
(Jerry Price, Managing Attorney)

Before Simms, Quinn and Bucher, Administrative Trademark
Judges.

Opinion by Simms, Administrative Trademark Judge:

Vital Processing Services, L.L.C. (applicant) has
appealed from the final refusal of the Trademark Examining
Attorney to register the mark VIRTUALNET for providing
financial information by electronic means.¹ The Examining
Attorney has refused registration under Section 2(e)(1) of
the Act, 15 USC §1052(e)(1), on the basis that applicant's

¹ Application Ser. No. 75/547,155, filed September 3, 1998, based
upon applicant's allegation of a bona fide intention to use the
mark in commerce.

mark merely describes a feature or manner by which applicant's services are provided. Applicant and the Examining Attorney have submitted briefs and an oral hearing was held.

We reverse.

Relying upon dictionary definitions and excerpts from the Nexis computer search system, the Examining Attorney argues that applicant's mark is equivalent to the expression VIRTUAL NETWORK, because the word "virtual" is commonly used with respect to computers and "net" is a common shortened form of the word "network." Given the association between "virtual" and computers, the Examining Attorney argues that when consumers encounter applicant's mark VIRTUALNET used in connection with its services, they are likely to consider the term "NET" in applicant's mark as referring to a computer network, and they will see applicant's mark as a whole as identifying a type of computer network or the mode of delivery of applicant's services -- a virtual network.

The Examining Attorney has relied upon a definition of "network" meaning "An interconnected group of networks (an Internet) that appear as one large network to the user. Optionally, or perhaps ideally, a virtual network can be centrally managed and controlled." The Examining Attorney

contends that the fact that the term "net" has other meanings in other contexts is not persuasive. In further support of his position that the mark is descriptive of applicant's services provided via the Internet (or virtual network), the Examining Attorney has relied upon the following excerpts, among others:

... The project will connect all the hospitals in the state, via an intranet-based virtual network to a central statewide health care database.

The Washington Times, October 12, 1998

* * * * *

Another area of help for new business owners is the virtual network, a place to communicate with other new business owners...

The Washington Times, April 6, 1998

* * * * *

At that time, Voyager was creating a virtual network for associations that would supply industry-related information and Internet access for their memberships.

Grand Rapids Business Journal, December 22, 1997

* * * * *

Science-fiction author William Gibson adapted the term in 1984 to describe a virtual network: cyberspace.

San Antonio Express-News, March 24, 1996

* * * * *

...connecting LANs, businesspeople helped create an electronic highway, a collection of networks linked to form one large virtual network.

Business Journal-San Jose, September 18, 1995

* * * * *

As copyright issues continue to be examined in connection with the "virtual networks" created by the very existence of the Internet and as commercial on-line services proliferate and

expand their membership, one policy question to be faced is whether...

New York Law Journal, July 21, 1995

* * * * *

In fact, Rutkowski refers to the Internet as a "virtual network," because much of it exists by piggybacking on "underlying networks--every conceivable kind of electronic transport network"...

The Fresno Bee, November 14, 1994

* * * * *

The Examining Attorney has also made of record third-party registrations containing disclaimers of the words "VIRTUAL NETWORK" in an attempt to show the descriptiveness of applicant's mark.

Applicant, on the other hand, maintains that its mark is suggestive because imagination and thought are required to understand the relationship between applicant's financial information services and the mark sought to be registered. Applicant states that it does not have a virtual network of computers, but rather offers a bundle of financial services delivered by the Internet. These services are designed to enable electronic commerce, and they include such services as payment card processing services, credit authorization, payment and settlement services, storage of cardholder information and fraud monitoring services, all offered to merchants and financial institutions. While applicant acknowledges that its

services are offered over the Internet, and that its mark may suggest that its services are somehow related to computers, it is applicant's position that a mark is not merely descriptive unless it describes a significant aspect or feature of the services. In this regard, applicant argues that the possible incidental suggestion of the means or mode of delivery of applicant's financial information services is not a significant feature of applicant's services. Moreover, even if applicant's mark VIRTUALNET is interpreted as "VIRTUAL NETWORK," the latter word signifying the Internet, it is nevertheless too vague and broad an expression to be considered merely descriptive of applicant's services, according to applicant. In other words, applicant argues that, to the extent its mark may be incidentally descriptive of the means by which applicant delivers its services, this meaning is too broad to be held merely descriptive.

Applicant also points to a declaration of record indicating that its mark was chosen to convey the idea of a bundle or "net" of related financial information services offered online. Further, applicant's mark, according to applicant, plays on various meanings of "net", including that its services may catch, capture or "net" financial data. Applicant also points to other meanings of the term

"NET" in its mark. This range of suggestive meanings, applicant maintains, renders its mark suggestive, not merely descriptive.

While conceding that if applicant's services were telecommunications or networking services, the mark may be merely descriptive, applicant points out that it offers a range of financial information services by electronic means. Applicant also argues that registration would not deprive competitors of the use of the descriptive term "virtual network." Applicant emphasizes that its mark is VIRTUALNET, not "VIRTUAL NETWORK," and that it is inappropriate for the Examining Attorney to convert applicant's mark into "VIRTUAL NETWORK" and then to argue that its mark means the Internet.

A proposed mark is merely descriptive of goods or services if it immediately describes an ingredient, quality, characteristic or feature thereof, or if it directly conveys information regarding the nature, function, purpose or use of the goods or services. *In re Abcor Development Corp.*, 588 F.2d 811, 200 USPQ 215, 217-18 (CCPA 1978). In this regard, it is not necessary that a term describe all of the properties or functions of the goods or services in order for it to be merely descriptive. It is sufficient that the term describes a significant

attribute or idea about them. *In re Venture Landing Associates*, 226 USPQ 285 (TTAB 1985). Thus, it is not necessary that a prospective purchaser of applicant's goods or services be immediately apprised of the full panoply of features of applicant's goods or services for the term to be found merely descriptive.

Upon careful consideration of this record and the arguments of the attorneys, it is our judgment that applicant's mark VIRTUALNET does not *merely describe* applicant's financial information services rendered by electronic means. Even interpreting applicant's description of services to include the providing of these services over the Internet, we agree with applicant that imagination and thought are required to discern the possible descriptive significance of applicant's mark. That is to say, some thought and imagination are necessary to transform applicant's mark into "VIRTUAL NETWORK," and then to conclude that this mark merely describes applicant's financial information services offered by electronic means, including the Internet. VIRTUALNET used in connection with electronic financial information services is at most suggestive of these services. Further, if we have doubt about the mere descriptiveness of a mark sought to be registered, that doubt must be resolved in

favor of publication. Upon publication, an interested party who believes that applicant's mark is merely descriptive will have the opportunity to oppose registration, perhaps from a better position in the trade to demonstrate mere descriptiveness than the Examining Attorney.

Decision: The refusal of registration is reversed.

Bucher, Administrative Trademark Judge, dissenting:

As correctly noted by the majority, "[a]pplicant states that it does not have a virtual network of computers... ." (p. 4, *supra*). Yet, applicant's position seems to depend upon a strained distinction between applicant's "financial services" (where reliance on the Internet and other computer networks, applicant argues, is "incidental," "insignificant" or "unimportant"), and third parties' "telecommunications services" (where applicant concedes that the term VIRTUALNET might well be merely descriptive).

In this regard, applicant's Executive Vice President, Donna L. Embry, states in her affidavit:

4. As is clear from the Vital website, <http://www.vitalps.com>, Applicant corporation has actively promoted a suite of payment processing services under the VIRTUALNET mark.

With applicant having opened this Website for further inspection, we asked trademark counsel at the oral hearing before this Board to explain the following document:²

<p>Transaction Processing Interface Specifications</p> <p>VirtualNet™</p> <p>Internet Commerce Gateway</p>
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² Vital Processing Services, LLC, November 22, 2000 Transaction Processing Interface Specifications, VirtualNet, Version 0011, http://www.vitalps.com/sections/int/int_Interfacespecs.html.

- TCP/IP³ Virtual Private Network
- SSL (Secure Sockets Layer)

... The Vital VirtualNet IP Gateway provides merchants the ability to process real-time credit card transactions from the Internet...
The VirtualNet IP Gateway only works with full TCP/IP sessions...

Counsel was unable to explain to my satisfaction the prominence of the Internet, a focus on this particular Internet gateway, and the importance of Internet Protocol (IP) throughout this twenty-six-page document. The Internet and applicant's "Virtual Private Network" are front and center - not just an "incidental mode of delivery." Rather, as the above excerpts show, one must conclude that the Internet and other related computer networks are indeed significant components of applicant's "providing financial information by electronic means."

Further, nowhere in this long document do we see a single suggestion that the "net" suffix in this mark may serve as a reference to "bundling" financial services, to "capturing" relevant financial data, or to enhancing merchants' "net" profits, etc.

Moreover, applicant has argued throughout the prosecution of this application that the Trademark Examining Attorney has improperly "dissected" applicant's mark. I disagree. Rather, the Trademark Examining

³ TCP/IP (Transmission Control Protocol/Internet Protocol).

Attorney has correctly shown that to those familiar with the "net," "VirtualNet" (or "virtual net") is clearly a frequently used, exact shorthand expression for "virtual network."⁴ Then in order to close the circle on this analysis, I note that applicant's own Website shows that the recited services are totally reliant upon the Internet to create the security and reliability that applicant's touts for its own "virtual private network."

Applicant argues that "VIRTUALNET is a clever mark that plays on the many different connotations of the word 'net.'"⁵ Yet applicant's own use of the term in context ensures that the prospective customers' "first reaction," "second reaction" and even "third reaction" to this term will be that of a "virtual network." Accordingly, I disagree with applicant and with the majority on this point, and I would affirm the instant refusal to register. In conclusion, I must admit that I find applicant's arguments herein to be even more clever than its choice of marks.

⁴ Cf. *In re Abcor Development Corp.*, *supra* at 219 (Rich, J., concurring) [term "GASBADGE" held merely descriptive of a device to determine and monitor pollution, because "users of language have a universal habit of shortening full names," and hence it is "inevitable that a gas monitoring badge will be called a gas badge as the name of the goods to the same extent as gas monitoring badge is the [full] name" of such goods].

⁵ Applicant's appeal brief, p. 12.